

Incorporated" were added to the title. This provision was made to prevent the public from mistaking private bankers for those holding charters and was extended in 1890 so that any such expression as "Bank" or "Banking House" was made illegal, whether the words "Not Incorporated"¹ were added or not.

The history of the Canadian banking system between 1880 and the renewal of the bank charters in 1890 was a comparatively uneventful one, but experience of the banking law had suggested a number of reforms which were carefully discussed before the renewal was voted. It was found that the notes of the banks did not remain steadily at par in those parts of the country far removed from the redemption agencies. It was also found that, notwithstanding the ample security for the final payment of the notes of failed banks, they sometimes dropped to a discount when the holders desired to realize upon them at once.¹ The importance of concerted action to secure the reforms desired by the public, without infringing upon the freedom of banking, was keenly felt by the leading banks and they held a meeting in Montreal on January 11, 1890, at which they resolved to request an interview with Mr. Foster, the Minister of Finance. The request was granted and interviews took place on January 25th and February 12th. Several differences of opinion developed regarding details, some of which were carried before the Privy Council, but a thorough revision of the banking law was enacted and received the royal assent on May 16, 1890.^a The important features of the Canadian banking system, as it developed from the legis-

¹ * Although the liquidators were ready to redeem within a month, the discount on the notes of the Exchange Bank after its failure rose as high as five or ten per cent. Redemption of the notes of the Maritime Bank, though finally in full, was delayed for nearly three years after the failure, and in the meanwhile its issues sold for as low as forty cents on the dollar. In notes of the Central Bank of Canada, Americans near Sault Ste. Marie found a profitable speculation by "buying them up after the failure, at ten per cent, discount"—Breck-enridge, 315.

³ 53 Victoria, c. 31, "An Act respecting banks and banking."